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BEFORE THE ARIZONA CORPORATION COMMISSION

**COMMISSIONERS**

BOB STUMP - Chairman  
GARY PIERCE  
BRENDA BURNS  
BOB BURNS  
SUSAN BITTER SMITH

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ARIZONA CORPORATION COMMISSION  
DOCKET CONTROL

Arizona Corporation Commission

DOCKETED

APR 04 2014

DOCKETED BY

IN THE MATTER OF THE APPLICATION OF  
TRUXTON CANYON WATER COMPANY, INC.  
FOR APPROVAL OF A RATE INCREASE.

DOCKET NO. W-02168A-11-0363

IN THE MATTER OF THE APPLICATION OF  
TRUXTON CANYON WATER COMPANY, INC.  
FOR APPROVAL OF A REVISION OF THE  
COMPANY'S EXISTING TERMS AND  
CONDITIONS OF WATER SERVICE.

DOCKET NO. W-02168A-13-0309

IN THE MATTER OF THE APPLICATION OF  
TRUXTON CANYON WATER COMPANY, INC.  
FOR AUTHORITY TO INCUR LONG-TERM  
DEBT.

DOCKET NO. W-02168A-13-0332

**STAFF'S RESPONSE TO REQUEST  
FOR PROCEDURAL CONFERENCE**

On March 26, 2014, Valle Vista Property Owners Association ("VVPOA") filed a letter in consolidated Docket No. W-02168A-11-0363 et al. ("Rate Case") directed to Truxton Canyon Water Company ("Truxton"). The VVPOA letter requested clarification as to an assertion that the Claude K. Neal Family Trust ("Trust"), the owner of Truxton, has efforts underway to sell certain property, including the Hualapai Well to a developer. Due to the lack of response from Truxton, VVPOA later filed a request for expedited procedural conference on April 1, 2014.

Staff has concerns regarding the asserted potential sale. Staff's analysis of the underlying rate case indicates that the Hualapai Well is necessary to provide water service during Truxton's peak usage months. Likewise, the question of whether the Trust is a public service corporation such that it would require Arizona Corporation Commission authorization in order to lawfully sell any assets that are necessary to providing water utility service is an issue that was requested to be briefed at the close of the proceedings in the Rate Case. Staff notes that the question whether the Trust is a public service

1 corporation is an issue that was also raised within the Order to Show Cause proceeding in Docket No.  
2 W-02168A-10-0247 ("OSC Case").

3 In order to address these concerns, Staff agrees that a procedural conference is warranted.  
4 Moreover, in light of the impending due date on briefs in the Rate Case, Staff agrees that the  
5 procedural conference should be scheduled on an expedited basis. Because the issues impact both the  
6 Rate Case as well as the OSC Case, Staff recommends holding a joint procedural conference for both  
7 the Rate Case and OSC Case to discuss these matters.

8 RESPECTFULLY SUBMITTED this 4th day of April, 2014.

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10 

11 Bridget A. Humphrey, Staff Attorney  
12 Charles H. Hains, Staff Attorney  
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14 Arizona Corporation Commission  
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18 Original and thirteen (13) copies  
19 of the foregoing filed this  
20 4th day of April, 2014, with:

21 Docket Control  
22 Arizona Corporation Commission  
23 1200 West Washington Street  
24 Phoenix, AZ 85006

25 Copy of the foregoing mailed and/or emailed  
26 this 4th day of April, 2014 to:

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